

## ABSTRACT OF THE INVENTION

The present invention relates to a system and method for using an e-duction card as a payment instrument, whereby a purchase price of articles purchased on-line or off-line is deducted from an employee's paycheck. The e-duction card is similar to a credit card but is not bound by the same terms and conditions of a credit card. An employer authorizes the inventive system to accept payroll deduction as a payment option for the employer's employees. The employer and/or the system establish guidelines for utilizing the payroll deduction option during commerce and the system stores the guidelines and identifying information for the employer and corresponding employees in a database.

Merchants also sign up with the inventive system and agree to accept the e-duction card as a payment instrument. Thereafter, when an employee selects articles from the merchant's web site or store, the employee may use the e-duction card to pay for the selected articles. A magnetic stripe on the e-duction card stores an employee's account information. When a consumer purchases a product and uses the e-duction card as a payment instrument, the account information on the e-duction magnetic stripe is transmitted to a network processor with access to information stored on the database. The processor verifies the employee and merchant status, and the employee account information in order to approve or reject the transaction. This method therefore affords authorized employees the option of using the e-duction card as a payment instrument.